

# BC Oil and Gas Commission

## Quarterly Enforcement Action Summary

April 1, 2016 to June 30, 2016

The BC Oil and Gas Commission (Commission) is the provincial regulatory agency with responsibility for regulating oil and gas activities in British Columbia, including exploration, development, pipeline transportation and reclamation.

This summary provides a quarterly overview of enforcement actions undertaken by the Commission in 2016. Please contact [ogc.communications@bcogc.ca](mailto:ogc.communications@bcogc.ca) with any questions or comments.

**Orders** – issued if there is a failure to comply with the Oil and Gas Activities Act (OGAA), associated regulations, permits or authorizations, or a previous order.

**Tickets** – issued under the authority of provincial acts for which the Commission has regulatory responsibility, including the Water Act, Land Act and Forest Act.

**Administrative penalties** – levied in the event of a contravention of OGAA, in accordance with the act and Administrative Penalties Regulation.

**Charges** – recommended to Crown counsel for prosecution and possible court conviction.



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\*Compliance categories with no enforcement actions  
issued during this quarter have not been listed.

## ORDERS

| Operator                    | Location      | Legislation             | Description                                                                                                                                                                                                                                             |
|-----------------------------|---------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Terra Energy Corp.          | Fort St. John | Order 2016-002 49(1)(b) | Shut-in all operations in B.C. and maintain response capacity outlined in Emergency Response Plan. Compliance ongoing.                                                                                                                                  |
| Terra Energy Corp.          | Boudreau      | Order 2016-001A 50(1)   | Cease all activities associated with a well. Compliance achieved. Order terminated.                                                                                                                                                                     |
| Progress Energy Canada Ltd. | Town          | Order 2016-003 49(1)(b) | Remove excess water from storage structure, and submit engineering assessment and certification of structural integrity in accordance with the Dam Safety Regulation. Compliance ongoing.                                                               |
| Procyon Energy Corp.        | Fort St. John | Order 2016-004 49(1)(a) | Suspend wells in accordance with regulations and submit inactive wellsite suspension, abandonment or reactivation plans. Submit a Liability Management Plan and shut-in all wells until production is authorized by the Commission. Compliance ongoing. |

**TICKETS**

| <b>Operator</b>                | <b>Location</b> | <b>Legislation</b>                    | <b>Penalty</b>       | <b>Description</b>                |
|--------------------------------|-----------------|---------------------------------------|----------------------|-----------------------------------|
| Progress Energy Canada Ltd.    | Fort St. John   | S. 93(2)(n) Water Act                 | \$690<br>(3 tickets) | Use of water when not entitled    |
| Secure Energy Inc.             | Fort St. John   | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |
| Secure Energy Inc.             | Fort Nelson     | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |
| Secure Energy Inc.             | Dawson Creek    | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |
| Direct Energy Marketing Ltd.   | Fort St. John   | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |
| Murphy Oil Company Ltd.        | Fort St. John   | S.106(3)(k) Water Sustainability Act  | \$230                | Breach term/condition of approval |
| Repsol Oil & Gas Canada Ltd.   | Fort St. John   | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |
| Canadian Spirit Resources Inc. | Fort St. John   | S. 106(3)(k) Water Sustainability Act | \$230                | Breach term/condition of approval |

#### ADMINISTRATIVE PENALTIES

| Operator                | Location      | Legislation                                       | Penalty    | Description                                                                          |
|-------------------------|---------------|---------------------------------------------------|------------|--------------------------------------------------------------------------------------|
| 1089814 AB Ltd.         | Fort St. John | S. 82 of OGAA                                     | No Penalty | Failure to comply with an order.                                                     |
| Takhar Excavating Ltd.  | Surrey        | S. 76 of OGAA                                     | \$2,000    | Failure to contact BC One Call prior to construction.                                |
| 1121493 AB Ltd.         | Buick Creek   | S. 40 of OGAA                                     | \$30,000   | Failure to comply with an order.                                                     |
| Saguaro Resources Ltd.  | Laprise       | S. 20 of Drilling and Production Regulation (DPR) | \$5,000    | Failure to adequately manage completion fluids and associated substances.            |
| Sun Oil Fund Ltd.       | Fort St. John | S. 82 of OGAA                                     | \$15,000   | Failure to comply with order requiring payment of security deposit.                  |
| Murphy Oil Company Ltd. | Sundown       | S. 12(1) of DPR<br>S. 32(1)(b) of DPR             | \$8,000    | Failure to minimize risk of loss of well control and failing to report the incident. |